

**Government Code Section 66001 Five Year Continued Findings Report
For Fiscal Year Ended June 30, 2024**

The five year continued findings report required pursuant to California Government Code section 66001(d) of the Mitigation Fee Act is required for each fund which contains unexpended funds for the fifth fiscal year and every five years thereafter. Therefore, not all funds included in the annual report required pursuant to Government Code section 66006(b) will be included in this report.

Special Development Fund, Fund 123

Purpose of the Fee: Special Development Fees are assessed on new development in the Arenas Canyon area as defined by PSMC Chapter 9.69. Special Development Fees are assessed by type of development in the Arenas Canyon area in proportion to the costs of projects needed to be constructed due to such development for flood control and storm drainage, road and bridge, and fire protection.

The City believes it has collected sufficient funding for its share of the project costs and intends to stop collecting the Special Development Fee. The City will continue to complete the annual, and if required, five-year reporting until all Special Development Fee funds have been spent.

Relationship between the Fee and its Purpose:

- I. New development has continued to impact the need for new and increased capacity of existing City facilities-such as flood control and storm drainage facilities, and roads and bridges due to increased development of impervious structures (e.g., residential and non-residential structures, parking lots, sidewalks, etc.) which lead to increased water runoff during storm events and daily irrigation of property. New development also continues to contribute to additional vehicles needing to access to critical roadways and bridges in areas that are impacted during storms events and flooding. Finally, new development of continues to increase the population of the City with new residents from residential development.
- II. The South Palm Canyon Drive bridge project intended to be constructed has not been commenced to date due to various challenges from community stakeholders. The City Council is actively attempting to resolve the community concerns and is prepared to move forward with construction, subject to compliance with all environmental review requirements. It is expected project approval to proceed with the bridge’s construction will be established in June 2025.
- III. There is still a need to construct the South Palm Canyon bridge as a result of new development to circumvent flooding from the Arenas Canyon area onto South Palm Canyon Drive during heavy rainfall.
- IV. Currently the City plans to fund its portion of the costs of the new bridge on South Palm Canyon Drive with the full balance in the Special Development Fund.

Sources and Amounts of Anticipated Funding:

Project: Bridge at Arenas Canyon South – City Project 06-18

Source of Anticipated Funding	Amount of Anticipated Funding	Approximate Date Construction will Commence
Development Fee	\$2,147,444	June 2026
Local Measure A Funds	\$868,260	June 2026
Special Gas Tax (SB1)	\$325,253	June 2026
State of California’s Highway Bridge Program	\$9,611,924	June 2026

Estimated Total	\$12,952,881
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Approximate Dates Anticipated Funding to be Deposited:

The City believes it has collected sufficient funding to pay for its portion of the costs of the South Palm Canyon Drive bridge. As such, the City is no longer imposing and collecting the Special Development Fee.

Drainage Construction, Fund 135

Purpose of the Fee: Drainage fees are assessed on new construction for the purpose of building and maintaining drainage and flood control.

Relationship between the Fee and its Purpose:

- I. New development continues to impact the need for new and increased capacity of existing City facilities such as drainage and flood control facilities due to increased development of impervious structures (e.g., residential and non-residential structures, parking lots, sidewalks, etc.) which lead to increased water runoff during storm events and daily irrigation of property.
- II. Some facilities have been completed to date. There are also other projects currently in progress and these projects are expected to be completed by June 2026.
- III. There is still a need to construct and complete the drainage line to help with flooding in select areas throughout the City.
- IV. Funds will be used to complete the construction of storm drain line 20.

Sources and Amounts of Anticipated Funding:

Project: Storm Drain Line 20 – City Project 19-15

Source of Anticipated Funding	Amount of Anticipated Funding	Approximate Date Construction will be Completed
Development Fee	\$0	June 2025
Estimated Total	\$0	

Development impact fees are the only funding source planned for these projects. There are no other funding sources planned at this time.

Approximate Dates Anticipated Funding to be Deposited:

The City has collected sufficient funding for the storm drain line 20 project, construction has already commenced and is nearly completed with an expected project completion date of this June 2025.

Public Arts In-Lieu Fee, Fund 150

The Public Arts requirement is not a development impact fee, and the voluntary election to pay a fee in-lieu of satisfying the Public Arts requirement is similarly not a development impact fee. However, the City has elected to voluntarily include the Public Arts fund in its annual and five year reporting requirement for the purpose of transparency.

Purpose of the Fee: The City's development standards require certain new and re-construction projects to provide public art or, alternatively, pay a fee in-lieu of such requirement to be used for developing and maintaining the City's visual arts program.

Relationship between the Fee and its Purpose:

- I. Funds have been collected to pay for art pieces installed throughout the City of Palm Springs to foster community engagement, promote social commentary and awareness, and provide beautification throughout the City that enhances the environment and unique character of the City of Palm Springs. New development risks diluting these benefits and potentially erasing the benefits received from public art. As such, new development is required to mitigate its impact by providing public art or, alternatively, paying an in-lieu fee to be used by the City for providing such art.
- II. Individual projects are listed below with the expected date to begin in FY2025.
- III. There is still a need to expand art within the City of Palm Springs to maintain the same level of public art in light of new development. Public art is necessary to encourage community participation, attract visitors, boost economic development, and foster cultural partnerships, aiming to grow the City of Palm Springs’ identity as an innovative and creative community.
- IV. Funds will be used to complete the projects listed below.

Sources and Amounts of Anticipated Funding:

Source of Anticipated Funding	Project	Amount of Anticipated Funding	Approximate Date Construction will be Completed
In-Lieu Fee	Thompson Hotel Art	\$192,710	June 2026
In-Lieu Fee	Beautiful Shade Project	\$80,000	June 2026
In-Lieu Fee	Pride Monument	\$125,000	June 2026
In-Lieu Fee	AIDS Monument	\$70,000	June 2026
In-Lieu Fee	Wyatt Mural	\$100,000	June 2026
In-Lieu Fee	Art Pad Base Repair	\$25,000	June 2026
In-Lieu Fee	Artscape’s in Parks – JOJ	\$50,000	June 2026
In-Lieu Fee	Artscape’s in Parks – Victoria	\$50,000	June 2026
In-Lieu Fee	Art Engineer	\$25,000	June 2026
In-Lieu Fee	Pop Art Park	\$26,855	June 2026
In-Lieu Fee	Public Art Inventory	\$35,000	June 2026
In-Lieu Fee	Plaques/QR Codes	\$20,000	June 2026
In-Lieu Fee	Repairs and Maintenance	\$25,000	June 2026
In-Lieu Fee	ECO Art Walk/Horses	\$10,000	June 2026
Estimated Total		\$834,565	

Approximate Dates Anticipated Funding to be Deposited:

The City has collected sufficient funding to complete some of the projects referenced above and the installation of such projects is scheduled to commence throughout fiscal year 2025-26. The remaining funds anticipated to

complete the remaining projects is expected to be collected by June 2026. However, as this is an in-lieu fee only applicable if the property owner/applicant voluntarily elects to pay the fee in-lieu of installing public art, there are no public facilities subject to this fee for which the City can anticipate funding. The decision to pay the in-lieu fee is a decision left to the property owner/applicant and is not controlled by the City. However, the City continues to monitor development activity, in-lieu funds available, and planned art installations and uses as sufficient funding is collected.

**Government Code Section 66006 Annual Report
For Fiscal Year Ended June 30, 2024**

Special Development Fund, Fund 123

Description of Fee: Special Development Fees are assessed on new development in the Arenas Canyon area as defined by PSMC Chapter 9.69. Special Development Fees are assessed by type of development in the Arenas Canyon area in proportion to the costs of projects needed to be constructed due to such development for flood control and storm drainage, road and bridge, and fire protection.

Amount of Fee: The fee is \$4,478.42 per acre.

Reconciliation of Fund Balance:

Beginning Fund Balance	\$2,061,120
Revenues:	
Developer Fees Collected	-
Investment Income Earned	\$86,323
Expenditures:	
Capital Projects	-
Ending Fund Balance	\$2,147,444

Public Improvements Fees Were Expended for Fiscal Year 2023-24:

No development impact fees were expended for public improvements during Fiscal Year 2023-24.

Approximate Dates of Construction of Certain Public Improvements:

Sufficient funds have been collected for planned public improvements at this time for City Project Number 06-18 South Palm Canyon Drive Low Water Crossing Bridge at Arenas Canyon South, with the approximate date of construction to commence fiscal year 2026.

Description: South Palm Canyon Drive is subject to flooding from Arenas Canyon and has been subject to closure at times during past heavy storms. As the only access point into the south Palm Springs area, maintaining access is an important public health and safety issue. The City has proposed the construction of a new bridge to circumvent flooding, allowing residents a safe passage into and out of the Arenas Canyon area. A portion of the funding will come from Cal Trans and federal highway bridge program funds with an estimated total cost of approximately \$13 million. The fund balance totaling \$2,147,444 is anticipated to be fully utilized for the construction of the bridge. City staff has brought the project back to City Council on April 9, 2025, for public comment and to request authorization to bid and the City Council decided to table the project for 60 days to allow for community meetings and feedback for the neighborhoods impacted by the development of the bridge. City staff will bring the item back to City Council in June 2025 to request an authorization to bid.

At this stage the City is prepared to move forward with construction, subject to compliance with all environmental review requirements. The City believes it has collected sufficient funding for its share of the project costs and intends to stop collecting the Special Development Fee. The City will continue to complete the annual, and if required, five-year reporting until all Special Development Fee funds have been spent.

No applicable projects were identified in the previous report. Therefore, there are no applicable public improvements that approximate construction dates were provided from a prior year report for the City to reference and comply with.

Interfund Transfers and Loans:

There were no interfund transfers or loans made during Fiscal Year 2023-24.

Refunds:

There were no refunds made to any individuals or entities during Fiscal Year 2023-24.

**Government Code Section 66006 Annual Report
For Fiscal Year Ended June 30, 2024**

Drainage Construction, Fund 135

Description of Fee: Drainage fees are assessed on new construction for the purpose of building and maintaining drainage and flood control.

Amount of Fee: Per acre fee based on region ranging from \$4,898.47 to \$10,961.65 (Excludes the Arenas Canyon area).

Reconciliation of Fund Balance:

Beginning Fund Balance	\$2,491,617
Revenues:	
Developer Fees Collected	\$209,452
Investment Income Earned	\$105,398
Expenditures:	
Capital Projects	\$(913,191)
Ending Fund Balance	\$1,893,276

Public Improvements Fees Were Expended for Fiscal Year 2023-24:

Improvement Description	Expenditures	% of Cost Funded with Impact Fees	Approximate Date Construction will be completed
Line 20	\$913,191	100%	End of Fiscal Year 2025

No other development impact fees were expended for public improvements during Fiscal Year 2023-24. The City continues to accumulate the funds needed to complete Improvement Line 20.

Storm Drain Line 20 was identified by Staff as the City's highest priority to help with flooding in select areas and consists of approximately 5,355 linear feet of reinforced concrete pipe and supporting structures. Line 20 is located along Farrell Drive between Tahquitz Canyon way and Ramon Road, as well as along Ramon Road between Farrell Drive and El Cielo Road. The City's Master Drainage Plan was established in 1982 by Riverside County Flood Control (RCFC) & Water Conservation District. The City's Master Drainage Plan is implemented jointly with RCFC through property tax assessments and revenues generated by the City through developer impact fees (drainage fees).

Approximate Dates of Construction of Certain Public Improvements:

With the exception to the improvements identified above, sufficient funds have not been collected for planned public improvements at this time. As such, there are no additional approximate dates of construction for other public improvements identified at this time.

Interfund Transfers and Loans:

There were no interfund transfers or loans made during Fiscal Year 2023-24.

Refunds:

There were no refunds made to any individuals or entities during Fiscal Year 2023-24.

**Government Code Section 66006 Annual Report
For Fiscal Year Ended June 30, 2024**

Public Arts In-Lieu Fee, Fund 150

The Public Arts requirement is not a development impact fee, and the voluntary election to pay a fee in-lieu of satisfying the Public Arts requirement is similarly not a development impact fee. However, the City has elected to voluntarily include the Public Arts fund in its annual and five year reporting requirement for the purpose of transparency.

Description of Fee: The City’s development standards require certain new and re-construction projects to provide public art or, alternatively, pay a fee in-lieu of such requirement to be used for developing and maintaining the City’s visual arts program.

Amount of Fee: Commercial/Industrial land uses – one half of one percent (0.5%) based on structure value; Residential land uses – one quarter of one percent (0.25%) based on structure value.

Reconciliation of Fund Balance

Beginning Fund Balance	\$1,434,864
Revenues:	
In-Lieu Fees Collected	\$239,476
Investment Income Earned	\$26,319
Expenditures:	
Capital Projects & Expenses	\$(910,399)
Ending Fund Balance	\$790,260

Public Improvements Fees Were Expended for Fiscal Year 2023-24:

Improvement Description	Expenditures FY2023-24	Future Improvements (See Chart Below)	% of Cost Funded with In-Lieu Fees	Approximate Date Construction will Commence
Acquisitions:				
“Steel Crawler” Sculpture	\$52,166		100%	
“The Only Other Thing Is Nothing” Sculpture	\$43,500		100%	
“Palm Springs Renewable Energy History” Artwork	\$375,000		100%	
“The Pillars of Palm Springs” Sculpture	\$291,000		100%	
Utility Box Projects	\$1,000		100%	
Total Acquisitions	\$762,666		100%	
Operation Costs:				
Red Dragon Artwork Grant	\$5,000			
Insurance	\$3,567		100%	
Administrative Costs	\$18,444		100%	
Repairs and Maintenance	\$9,000		100%	
Specialized Equipment	\$6,545		100%	
Palm Springs Art Museum Sponsorship	\$75,000		100%	
Total Operation Costs:	\$117,556			
Total	\$880,222			
Future Projects		Future Expenditures	% of Cost Funded with In-Lieu Fees	Approximate Date Construction will Commence

Thompson Hotel Art Fund Reimbursement Request		\$192,710	See Below	See belowFY2025
Beautiful Shade Project		\$80,000	100%	June2025
Pride Monument		\$125,000	See Below	June2025
AIDS Monument		\$70,000	See Below	Delayed see belowFY2025
Wyatt Mural		\$100,000	100%	Delayed see belowFY2025
Art Pad Base Repair		\$25,000	100%	March2025
Artscape's in Parks – JOJ		\$50,000	100%	March2025
Artscape's in Parks – Victoria		\$50,000	100%	March2025
Art Engineer		\$25,000	100%	On call services ongoingFY2025
Pop Art Park		\$26,855	100%	November2024
Public Art Inventory		\$35,000	100%	DelayedFY2025
Plaques/QR Codes		\$20,000	100%	March2025
Repairs and Maintenance		\$25,000	100%	July 20242025
ECO Art Walk/Horses		\$10,000	100%	April2025
Total		\$834,565		

Approximate Dates of Construction of Certain Public Improvements:

Sufficient funds have been collected for planned public art installations at this time. The approximate date of such installations has been provided above. There are no additional approximate dates of installations identified at this time.

Thompson Hotel Art Fund: Artwork was installed and paid for by the Thompson Hotel, and they have requested The City reimburse them for their art installation fees. Payment is anticipated to be made to Thompson Hotel FY2025.

Pride Monument: The Pride Committee is fundraising for donations to assist with creating this artwork. The amount of fundraising funds is not known as of the date of this report.

AIDS Monument: The AIDS Committee is fundraising for donations to assist with creating this artwork. The amount of fundraising funds is not known as of the date of this report.

Wyatt Mural: Project has been delayed due to the death of the artist. The City is working with the family trust to move forward.

No applicable projects were identified in the previous report.. Therefore, there are no applicable projects that approximate dates were provided from a prior year report for the City to report.

Interfund Transfers and Loans:

There were no interfund transfers or loans made during Fiscal Year 2023-24.

Refunds:

There were no refunds made to any individuals or entities during Fiscal Year 2023-24.

**Government Code Section 66006 Annual Report
For Fiscal Year Ended June 30, 2024**

Wastewater Treatment, Fund 420

Description of Fee: Sewer connection fees are assessed to recover the costs of connecting a structure or project to the City’s wastewater system and to pay for the costs of wastewater infrastructure needed to serve the person or property being charged through its share of a buy-in fee which reimburses the rate payors for its costs already incurred to construct the wastewater treatment plant.

Amount of Fee: Residential - \$1,006 / dwelling unit

Commercial Industrial - Variable Rates	
Commercial and Industrial Units	\$100/Fixture
Hotel Room Without Kitchen	\$343/Unit
Hotel Room With Kitchen	\$663/Unit
Recreational Vehicle Space	\$246/Space
Properties Adjacent to City	\$2,102/Unit
Sewer Street Main Charge	\$16/Foot

Reconciliation of Fund Balance:

Beginning Fund Balance	\$7,752,919
Revenues:	
Sewer Fees Collected	\$143,643
Investment Income Earned	\$13,718
Expenditures:	
Capital Projects	\$(4,889,827)
Ending Fund Balance	\$3,020,453

Public Improvements Fees Were Expended for Fiscal Year 2023-24:

Improvement Description	Expenditures	Future Improvements	% of Cost Funded with Sewer Fees	Sewer Fees Used	Approximate Date Construction will/has Commenced
01-11 Indian Canyon Widening over UPRR and Sewer Line Extension	\$1,375,302	\$13,000,000	100%	\$1,375,302	January 2025 Phase 1 and May 2025 Phase 2
21-07 WWTP Digester No. 2, Gas Flare Improvements, Filtrate Pump Station Upgrades	\$186,154	\$754,549	100%	\$186,154	July 2022
21-05 WWTP Sludge Drying Beds	\$3,328,333	\$3,839,628	100%	\$3,328,333	July 2023
21-06 WWTP demolition of Abandoned Headworks, Primary Clarifier, Sand Filter	\$38	\$3,685,500	100%	\$38	October 2025
Total	\$4,889,827	\$21,279,677		\$4,889,827	

The City continues to accumulate needed funds for certain projects while some projects have accumulated sufficient funds. Additionally, the buy-in fee collected reimburses the rate payors for its costs already incurred to construct the

wastewater treatment plant. There were no improvements on which funds were expended that were completed during the fiscal year. The improvements described above are anticipated to continue to be undertaken in the next fiscal year.

Approximate Dates of Construction of Certain Public Improvements:

Sufficient funds have been collected for certain planned public improvements at this time. The approximate date of such improvements has been provided above. There are no additional approximate dates of construction for other public improvements identified at this time.

Interfund Transfers and Loans:

There were no interfund transfers or loans made during Fiscal Year 2023-24.

Refunds:

There were no refunds made to any individuals or entities during Fiscal Year 2023-24.